

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 09/817,439 Confirmation No.: 9121
Applicant : Eric S. Wise, et al.
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Title : System and Method For Estimating Conduit Liquidity Requirements
in Assist Backed Commercial Paper
TC/Art Unit : 3628
Examiner: : Kirsten Sachwitz Apple

Docket No. : 72167.000565
Customer No. : 21967

MAIL STOP AMENDMENT
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

RESPONSIVE AMENDMENT UNDER 37 C.F.R. § 1.111

Sir:

Responsive to the Office Action mailed November 22, 2005, please amend the above-captioned application as set forth below.

Amendments to the Specification begin on page 2 of this paper.

Amendments to the Claims are reflected in the listing of claims which begins on page 3 of this paper.

Remarks/Arguments begin on page 19 of this paper.

AMENDMENTS TO THE SPECIFICATION:

Please amend the specification at page 8, line 3-22 with the following paragraph:

Referring to FIG. 18, a typical asset backed commercial paper (ABCP) program is illustrated. As it is known, banks or financial institutions (1802) provide liquidity commitments in the form of conduit liquidity to issuers of asset backed commercial paper (1804). These liquidity commitments serve as a back-up in the event that the issuers are unable to roll over their ABCP at maturity or pay off the ABCP with proceeds from the assets. The assets backing the commercial paper (1806) are frequently pooled and include various types of assets 1808, 1810 and/or accounts receivables, such as credit card receivables (~~1808~~) and mortgages (~~1810~~). These pooled assets have individual obligors (1812), who make payments that eventually flow to the issuer. The assets have respective credit ratings, which are established or determined by public rating agencies, such as Moody's. The issuers themselves (1804) also have a respective credit rating. Investors (1814) purchase the ABCP from the issuer (1804) and expect to receive at maturity a return of their principle with interest. At maturity, it is common for the issuer to roll the ABCP over, issuing new ABCP. This presupposes that the issuer (1804) will be able to access the CP market at or prior to maturity of the ABCP. Access to the CP market is highly dependent on the issuer's rating, and is also dependent on the rating of their assets (1806). If the issuer rating, or the asset rating declines, the issuer may be unable to access the CP market, and will therefore be unable to roll over their ABCP at maturity. In this event, in order to meet the requirements of the maturing ABCP, the issuer will need to draw on the liquidity commitments provided by the bank or financial institution (1802).

AMENDMENTS TO THE CLAIMS:

This listing of claims will replace all prior versions, and listings, of claims in the application:

LISTING OF CLAIMS:

1 (Original). A method for managing liquidity requirements of asset backed commercial paper, the method comprising:

determining a full liquidity requirement for commercial paper commitments of at least one financial institution;

determining ratings of assets backing the commitments; determining probabilities of rating changes of the assets; and

calculating a liquidity requirement for the commitments that is less than the full liquidity requirement for the commitments using at least the ratings and probabilities of rating changes.

2 (Original). A method according to claim 1, further comprising:

determining probabilities of draw on liquidity for the assets;

determining probabilities of extent of draw on liquidity for the assets; and

calculating the liquidity requirement using at least the probabilities of draw and the probabilities of extent of draw.

3 (Original). A method according to claim 1, further comprising:

determining probabilities of existence of a draw on liquidity for the assets;

determining probabilities of continued draw on liquidity for the assets; and

calculating the liquidity requirement using at least the probabilities of existence of draw and the probabilities of continued draw.

4 (Original). A method according to claim 1, wherein the at least one financial institution further comprises a plurality of banks, the method further comprising:

determining probabilities of default by the plurality of banks; and calculating the liquidity requirement using at least the probabilities of default.

5 (Original). A method according to claim 1, wherein the assets backing the commitments are correlated, the method further comprising:

creating a virtual portfolio of uncorrelated assets, which model the assets backing the commitments; and calculating the liquidity requirement using at least the virtual portfolio.

6 (Original). A method according to claim 1, wherein the assets backing the commitments are correlated, the method further comprising:

determining a diversity score for the assets; determining characteristics of the assets; and calculating the liquidity requirement using at least the diversity score and the characteristics of the asset.

7 (Original). A method according to claim 1, wherein calculating the liquidity requirement uses at least a Monte-Carlo technique.

8 (Original). A method according to claim 1, wherein the probabilities of rating changes

considers characteristics of the assets.

9 (Original). A method according to claim 1, wherein the at least one financial institution further comprises a plurality of banks, the method further comprising allocating the less than the full liquidity requirement among the plurality of banks.

10 (Original). A method according to claim 9, wherein the less than the full liquidity requirement is a percentage of the full liquidity requirement and the allocation is substantially the same percentage for each of the plurality of banks.

11 (Original). Computer executable software code transmitted as an information signal, the code for managing liquidity requirements of asset backed commercial paper, the code comprising:

code to determine a full liquidity requirement for commercial paper commitments of at least one financial institution;

code to determine ratings of assets backing the commitments;

code to determine probabilities of rating changes of the assets; and

code to calculate a liquidity requirement for the commitments that is less than the full liquidity requirement for the commitments using at least the ratings and probabilities of rating changes.

12 (Original). A computer-readable medium having computer executable software code

stored thereon, the code for managing liquidity requirements of asset backed commercial paper, the code comprising:

- code to determine a full liquidity requirement for commercial paper commitments of at least one financial institution;

- code to determine ratings of assets backing the commitments;

- code to determine probabilities of rating changes of the assets; and

- code to calculate a liquidity requirement for the commitments that is less than the full liquidity requirement for the commitments using at least the ratings and probabilities of rating changes.

13 (Original). A programmed computer for managing liquidity requirements of asset backed commercial paper, comprising:

- a memory having at least one region for storing computer executable program code; and

- a processor for executing the program code stored in the memory; wherein the program code comprises:

- code to determine a full liquidity requirement for commercial paper commitments of at least one financial institution;

- code to determine ratings of assets backing the commitments;

- code to determine probabilities of rating changes of the assets; and

- code to calculate a liquidity requirement for the commitments that is less than the full liquidity requirement for the commitments using at least the ratings and probabilities of rating changes.

14 (Original). A method for managing liquidity requirements of asset backed commercial paper comprising:

determining a full liquidity requirement for commercial paper commitments of a plurality of banks;

determining public agency ratings of assets backing the commitments;

determining probabilities of rating changes of the assets using data from past rating changes;

determining probabilities of draw on liquidity for the assets using data from past draws on liquidity;

determining probabilities of extent of draw on liquidity for the assets using data from past extent of draw on liquidity;

determining probabilities of existence of draw on liquidity for the assets using data from past existence of draw on liquidity;

determining probabilities of continued draw on liquidity for the assets using data from past continued draw on liquidity;

calculating a percentage reduced liquidity requirement for the commitments using a Monte-Carlo technique and at least the public agency ratings, the probabilities of rating changes, the probabilities of draw on liquidity, the probabilities of extent of draw, the probabilities of existence of a draw, and the probabilities of continued draw; and substantially uniformly allocating the percentage reduced liquidity requirement among the plurality of banks.

15 (Original). A method for issuing asset backed commercial paper, the method comprising:

receiving a liquidity commitment from at least one financial institution for a particular asset backed commercial paper issue, wherein the liquidity commitment assures full liquidity for the particular commercial paper issue and represents less than full liquidity for a portfolio of asset backed commercial paper issues, and further wherein the less than full liquidity is determined by ratings of the assets backing the portfolio and probabilities of rating changes of the assets backing the portfolio; and issuing the particular asset backed commercial paper.

16 (Original). A method for issuing asset backed commercial paper, the method comprising:

receiving a full liquidity commitment from an entity representing a plurality of banks for a particular asset backed commercial paper issue, wherein the liquidity commitment assures full liquidity for the particular commercial paper issue and represents less than full liquidity for a larger portfolio of asset backed commercial paper issues, and further wherein the less than full liquidity is calculated using ratings of the assets backing the larger portfolio, probabilities of rating changes of the assets backing the larger portfolio, probabilities of draw on liquidity for the assets backing the larger portfolio, probabilities of extent of draw on liquidity for the assets backing the larger portfolio, probabilities of existence of draw on liquidity for the assets backing the larger portfolio, probabilities of continued draw on liquidity for the assets backing the larger portfolio, and probabilities of default by the plurality of banks; and

issuing the particular asset backed commercial paper.

17 (Original). A method for investing in asset backed commercial paper, the method comprising:

investing in a particular asset backed commercial paper issue, which has a liquidity commitment from at least one financial institution, wherein the liquidity commitment assures full liquidity for the particular commercial paper issue and represents less than full liquidity for a portfolio of asset backed commercial paper issues, and further wherein the less than full liquidity is determined by ratings of the assets backing the portfolio and probabilities of rating changes of the assets backing the portfolio; and

redeeming the particular asset backed commercial paper.

18 (Original). A method for investing in asset backed commercial paper, the method comprising:

investing in a particular asset backed commercial paper issue, which has a full liquidity commitment from an entity representing a plurality of banks for the particular asset backed commercial paper issue, wherein the liquidity commitment assures full liquidity for the particular commercial paper issue and represents less than full liquidity for a larger portfolio of asset backed commercial paper issues, and further wherein the less than full liquidity is calculated using ratings of the assets backing the larger portfolio, probabilities of rating changes of the assets backing the larger portfolio, probabilities of draw on liquidity for the assets backing the larger portfolio, probabilities of extent of draw on liquidity for the assets backing the larger portfolio, probabilities of existence of draw on liquidity for the assets backing the larger portfolio, probabilities of continued draw on liquidity for the assets backing the larger portfolio, and probabilities of default by the plurality of banks; and

redeeming the particular asset backed commercial paper.

19 (Original). A method for providing liquidity commitments to asset backed commercial paper, the method comprising

providing a liquidity commitment for a particular asset backed commercial paper issue, wherein the liquidity commitment assures full liquidity for the particular commercial paper issue and represents less than full liquidity for a portfolio of asset backed commercial paper issues, and further wherein the less than full liquidity is determined by ratings of the assets backing the portfolio and probabilities of rating changes of the assets backing the portfolio.

20 (Original). A method for providing shared liquidity commitments to asset backed commercial paper, the method comprising as one of a plurality of banks, providing a liquidity commitment for a particular asset backed commercial paper issue, wherein the liquidity commitment assures full liquidity for the particular commercial paper issue and represents less than full liquidity for a larger portfolio of asset backed commercial paper issues, and further wherein the less than full liquidity is calculated using ratings of the assets backing the larger portfolio, probabilities of rating changes of the assets backing the larger portfolio, probabilities of draw on liquidity for the assets backing the larger portfolio, probabilities of extent of draw on liquidity for the assets backing the larger portfolio, probabilities of existence of draw on liquidity for the assets backing the larger portfolio, probabilities of continued draw on liquidity for the assets backing the larger portfolio, and probabilities of default by the plurality of banks.

21 (Original). A method for managing liquidity requirements of asset backed commercial paper comprising:

determining a full liquidity requirement for individual commercial paper commitments backed by a plurality of financial institutions;

calculating a reduced liquidity requirement for the commitments;

allocating the reduced liquidity requirement among the institutions; and

receiving shared liquidity assurances from the institutions for the individual commitments.

22 (Original). A method according to claim 21, wherein calculating the reduced liquidity requirement uses a Monte-Carlo technique.

23 (Original). A method according to claim 21, wherein allocating the reduced liquidity requirement is in relative proportion to the individual commercial paper commitments.

24 (Original). A method according to claim 21, wherein support for a draw against a particular individual commitment up to a level of the allocated reduced liquidity is assured by at least the institution backing the particular individual commitment.

25 (Original). A method according to claim 21, wherein support for a draw against a particular individual commitment above the level of the allocated reduced liquidity is assured by at least the plurality of institutions.

26 (Original). A method according to claim 21, wherein calculating the reduced liquidity requirement further comprises:

determining ratings of assets backing the commitments;
determining probabilities of rating changes of the assets; and
calculating the reduced liquidity requirement for the commitments using at least the ratings and probabilities of rating changes.

27 (Original). A method according to claim 26, wherein the probabilities of rating changes considers characteristics of the assets.

28 (Original). A method according to claim 21, wherein calculating the reduced liquidity requirement further comprises:

determining probabilities of draw on liquidity for the commitments;
determining probabilities of extent of draw on liquidity for the commitments; and
calculating the reduced liquidity requirement using at least the probabilities of draw and the probabilities of extent of draw.

29 (Original). A method according to claim 21, wherein calculating the reduced liquidity requirement further comprises:

determining probabilities of existence of a draw on liquidity for the commitments;
determining probabilities of continued draw on liquidity for the commitments; and
calculating the reduced liquidity requirement using at least the probabilities of existence of draw and the probabilities of continued draw.

30 (Original). A method according to claim 21, wherein the plurality of financial institutions further comprise a plurality of banks, the method further comprising:

- determining default probabilities of the plurality of banks; and
- calculating the reduced liquidity requirement using at least the default probabilities of the plurality of banks.

31 (Original). A method according to claim 21, wherein the individual commercial paper commitments are backed by correlated assets, the method further comprising:

- creating a virtual portfolio of uncorrelated assets, which model the assets backing the commitments; and
- calculating the reduced liquidity requirement using at least the virtual portfolio.

32 (Original). A method according to claim 21, wherein the individual commercial paper commitments are backed by correlated assets, the method further comprising:

- determining actual characteristics of the assets; and
- calculating the reduced liquidity requirement using at least the actual characteristics of the asset.

33 (Original). A method according to claim 21, wherein the plurality of financial institutions further comprise a plurality of banks, the method further comprising allocating the reduced liquidity requirement among the plurality of banks.

34 (Original). A method according to claim 33, wherein the reduced liquidity requirement

is a percentage of the full liquidity requirement and the allocation is substantially the same percentage for each of the plurality of banks.

35 (Original). Computer executable software code transmitted as an information signal, the code for managing liquidity requirements of asset backed commercial paper, the code comprising:

code to determine a full liquidity requirement for individual commercial paper commitments backed by a plurality of financial institutions;

code to calculate a reduced liquidity requirement for the commitments; code to allocate the reduced liquidity requirement among the institutions; and

code to receive shared liquidity assurances from the institutions for the individual commitments.

36 (Original). A computer-readable medium having computer executable software code stored thereon, the code for managing liquidity requirements of asset backed commercial paper, the code comprising:

code to determine a full liquidity requirement for individual commercial paper commitments backed by a plurality of financial institutions;

code to calculate a reduced liquidity requirement for the commitments; code to allocate the reduced liquidity requirement among the institutions; and

code to receive shared liquidity assurances from the institutions for the individual commitments.

37 (Original). A programmed computer for managing liquidity requirements of asset backed commercial paper, comprising: a memory having at least one region for storing computer executable program code; and a processor for executing the program code stored in the memory; wherein the program code comprises: code to determine a full liquidity requirement for individual commercial paper commitments backed by a plurality of financial institutions; code to calculate a reduced liquidity requirement for the commitments; code to allocate the reduced liquidity requirement among the institutions; and code to receive shared liquidity assurances from the institutions for the individual commitments.

38 (Original). A method for managing liquidity requirements of asset backed commercial paper comprising:

- determining a full liquidity requirement for individual asset backed commercial paper commitments, the liquidity commitments provided by a plurality of banks;

- determining actual characteristics of individual assets backing the commercial paper commitments;

- determining ratings of the individual assets;

- determining probabilities of rating changes of the individual assets using data from past rating changes;

- determining probabilities of draw on liquidity using data from past draws on liquidity;
- determining probabilities of extent of draw on liquidity using data from past extent of draw on liquidity;

- determining probabilities of existence of a draw on liquidity using data from past existence of draw on liquidity;

determining probabilities of continued draw on liquidity using data from past continued draw on liquidity;

determining default probabilities of the banks using data from past bank defaults;

calculating a percentage reduced liquidity requirement using a Monte-Carlo technique and at least the actual characteristics, the ratings, the probabilities of rating changes, the probabilities of draw, the probabilities of extent of draw, the probabilities of existence of draw, the probabilities of continued draw and the default probabilities of the banks; allocating the percentage reduced liquidity requirement among the banks; and

receiving shared liquidity assurances from the banks for the reduced liquidity requirement, wherein support for a draw against a particular commitment up to a level of the allocated reduced liquidity is assured by at least the bank providing the liquidity commitment, and support for a draw against a particular commitment above the level of the allocated reduced liquidity is assured by the plurality of banks.

39 (Original). A method for issuing asset backed commercial paper, the method comprising: receiving from a plurality of financial institutions, a shared liquidity assurance for a particular asset backed commercial paper issue, wherein the shared liquidity assurance represents an allocation of less than a full liquidity requirement among the institutions; and issuing the particular asset backed commercial paper.

40 (Original). A method for issuing asset backed commercial paper, the method comprising:

receiving a shared liquidity assurance from a plurality of banks for a particular asset backed commercial paper issue, wherein the shared liquidity assurance represents a percentage allocation among the banks of less than a full liquidity requirement for a larger portfolio of asset backed commercial paper issue, wherein the percentage allocation is calculated using ratings of the assets backing the larger portfolio, probabilities of rating changes of the assets backing the larger portfolio, probabilities of draw on liquidity for the assets backing the larger portfolio, probabilities of extent of draw on liquidity for the assets backing the larger portfolio, probabilities of existence of draw on liquidity for the assets backing the larger portfolio, probabilities of continued draw on liquidity for the assets backing the larger portfolio, and probabilities of default by the plurality of banks; and issuing the particular asset backed commercial paper.

41 (Original). A method for investing in asset backed commercial paper, the method comprising:

investing in a particular asset backed commercial paper issue, which has a shared liquidity assurance from a plurality of financial institutions, wherein the shared liquidity assurance represents an allocation among the institutions of less than a full liquidity requirement; and redeeming the particular asset backed commercial paper.

42 (Original). A method for investing in asset backed commercial paper, the method comprising: investing in a particular asset backed commercial paper issue, which has a shared liquidity assurance from a plurality of banks, wherein the shared liquidity assurance represents a percentage allocation among the banks of less than a full liquidity requirement for a larger

portfolio of asset backed commercial paper issues, wherein the percentage allocation is calculated using ratings of the assets backing the larger portfolio, probabilities of rating changes of the assets backing the larger portfolio, probabilities of draw on liquidity for the assets backing the larger portfolio, probabilities of extent of draw on liquidity for the assets backing the larger portfolio, probabilities of existence of draw on liquidity for the assets backing the larger portfolio, probabilities of continued draw on liquidity for the assets backing the larger portfolio, and probabilities of default by the plurality of banks; and redeeming the particular asset backed commercial paper.

43 (Original). A method for providing liquidity assurance to asset backed commercial paper, the method comprising as a member of a plurality of financial institutions, providing a shared liquidity assurance for a particular asset backed commercial paper issue, wherein the shared liquidity assurance represents an allocation among the plurality of institutions of less than a full liquidity requirement.

44 (Original). A method for providing liquidity assurance to asset backed commercial paper, the method comprising as a member of a plurality of banks, providing a shared liquidity assurance for a particular asset backed commercial paper issue, wherein the shared liquidity assurance represents a percentage allocation among the banks of less than a full liquidity requirement for a larger portfolio of asset backed commercial paper, wherein the percentage allocation is calculated using ratings of the assets backing the larger portfolio, probabilities of rating changes of the assets backing the larger portfolio, probabilities of draw on liquidity for the assets backing the larger portfolio, probabilities of extent of draw on liquidity for the assets

backing the larger portfolio, probabilities of existence of draw on liquidity for the assets backing the larger portfolio, probabilities of continued draw on liquidity for the assets backing the larger portfolio, and probabilities of default by the plurality of banks.

REMARKS/ARGUMENTS

The Office Action of November 22, 2005, has been reviewed, and in view of the foregoing amendments and following remarks, reconsideration and allowance of all of the claims pending in the application are respectfully requested. Claims 1-44 remain pending.

Power of Attorney

This patent application was accorded Rule 1.47(b) status on September 3, 2002. Per this Decision, the instant application is recognized as being filed by J.P. Morgan Chase Co. as the party in interest. A revocation and new appointment of power of attorney will be filed in due course.

Drawings

FIG. 18 is objected to because the drawings list 1808 as "Assets (accounts receivables)" and 1810 as "Assets (accounts receivables)." For consistency, page 8, line 3 - 22 of the specification has been amended to clarify elements 1808 and 1810 as being "assets." No new matter has been added.

Claim Rejections under 35 U.S.C. § 112

Claims 1-44 are currently rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. Specifically, the Office Action alleges that it is "unclear to the examiner how 'calculating the liquidity requirement' is accomplished." The Office Action further states that "the necessary formula and a clear simple example of these calculations in full needs to be provided in the specification." (page 3, Office Action mailed 11/22/05). Applicants respectfully disagree. Any analysis of whether a particular claim is supported by the disclosure in an application requires a determination of whether that disclosure, when filed, contained sufficient information regarding the subject matter of the claims as to

enable one skilled in the pertinent art to make and use the claimed invention. There is no affirmative requirement that Applicants must provide a formula, as suggested by the Office Action.

The limitation of claim 1 recites “calculating a liquidity requirement for the commitments that is less than the full liquidity requirement for the commitments *using at least the ratings and probabilities of rating changes*” where the ratings of assets backing the commitments are determined and probabilities of rating changes of the assets are determined. The specification at page 11, line 3 - page 12, line 12 describes an exemplary scenario involving ratings and probabilities of ratings changes. This exemplary scenario includes examples such as a rating transition matrix described in detail along with formulas and calculations. Another exemplary embodiment is described at page 25, line 6-page 29, line 14. It is believed that the claimed subject matter is described in the specification in such a way as to enable one skilled in the art to which it pertains to make and/or use the invention.

The Office Action alleges that claim 8 is unclear because the examiner does not understand “what characteristics of the assets” are to be used and how they are “considered.” Claim 8 which is dependent on claim 1 further recites “wherein the probabilities of rating changes considers characteristics of the assets.” An exemplary method is described on page 11, line 3 - page 14, line 19. *See also* page 9, line 21-page 10, line 3 and page 12, line 20 - page 13, line 3.

The Office Action states that the Examiner is unclear as to how claim 9 differs from claim 1. Claim 1 recites “at least one financial institution” and claim 9 specifies “a plurality of banks.” Claim 1 recites “less than the full liquidity requirements” and claim 9 specifies that the

liquidity requirements are allocated among the plurality of banks. Applicants believe that the limitations of claim 9 further define the limitations of claim 1.

The Office Action states that it remains unclear to the examiner how “less than full liquidity is calculated” as recited in claims 15-17, 39-44. Claim 15 further specifies that “less than full liquidity is determined *by ratings of the assets backing the portfolio and probabilities of rating changes of the assets backing the portfolio.*” The example provided at page 25, line 6 - page 29, line 14 describe this claim limitation in detail. The specification at page 28, line 15 to page 29, line 7 provides an exemplary explanation for determining a percentage, *e.g.*, less than full, liquidity.

The Office Action alleges that “it is unclear how monte-carlo technique is used.” The specification, at page 20, lines 1-8, explains that in using the Monte-Carlo approach, “a normally distributed random variable represents the entity’s asset returns over each period” and “the invention assumes that there are asset values that correspond to different credit ratings at each point in time.” Using the explanation provided by the specification and the assumption, the specification proceeds to provide an exemplary embodiment of the present invention, see page 26, line 6 - page 29, line 7.

As for the remaining claims, Applicants respectfully submit that the specification as a whole, including exemplary applications, formulas, definitions and figures, describe the claimed inventions in a manner that enables one of ordinary skill in the art to make and use the invention. Applicants request additional information as to what elements in claims 10, 23-25, 27, 33-34 need further clarification, as the burden is on the Office Action to establish a reasonable basis to question the enablement provided for the claimed invention. *In re Wright*, 999 F.2d 1557, 1562, 27 USPQ2d 1510, 1513 (Fed. Cir. 1993) (examiner must provide a reasonable explanation as to

why the scope of protection provided by a claim is not adequately enabled by the disclosure). A specification disclosure which contains a teaching of the manner and process of making and using an invention in terms which correspond in scope to those used in describing and defining the subject matter sought to be patented must be taken as being in compliance with the enablement requirement of 35 USC 112, first paragraph, unless there is a reason to doubt the objective truth of the statements contained therein which must be relied on for enabling support.

As stated by the court, “it is incumbent upon the Patent Office, whenever a rejection on this basis is made, to explain *why* it doubts the truth or accuracy of any statement in a supporting disclosure and to back up assertions of its own with acceptable evidence or reasoning which is inconsistent with the contested statement. Otherwise, there would be no need for the applicant to go to the trouble and expense of supporting his presumptively accurate disclosure.” *In re Marzocchi*, 439 F.2d 220, 224, 169 USPQ 367, 370 (CCPA 1971).

Claim Rejections under 35 U.S.C. § 103(a)

Claims 1-44 are currently rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over U.S. Patent No. 6,073,104 to Field (“Field”) in view of “The Measure of Liquidity,” Journal of Accounting Research, vol. 20, no. 2, part I to Emery *et al* (“Emery”).

Field appears to be directed to a system for invoice record management and asset-backed commercial paper management. The Field system is a management system for generating accounting detail (Field, Abstract). However, the management system of Field fails to determine a reduced liquidity level with an assurance that the reduced level can reliably satisfy any liquidity needs where the reduced liquidity funding level is a percentage of and is less than the

full liquidity requirement of the issuers, see paragraph [0046]. None of this information is considered in Field to determine the reduced liquidity level, as recited by the claimed inventions.

Emery appears to provide a general disclosure directed to liquidity measurement for credit evaluations and empirical research in accounting. The purpose of the Emery reference is to provide liquidity measures that are not subject to limitations (page 290). Emery provides no teaching related to any determination of a reduced liquidity as recited by the claimed inventions.

The Office Action admits the major deficiencies of Field. More specifically, the Office Action admits that Field does not disclose using the collected data to “calculate liquidity.” (see page 5, Office Action mailed 11/22/05). However, the Office Action fails to further acknowledge that Field does not disclose “calculating a liquidity requirement ... that is *less than* the full liquidity requirement for the commitments,” as recited by the claims.

Based on these disclosures, the Office Action summarily concludes that it would have been obvious to combine the disclosures of Field and Emery “to decrease the risk of their investments and allow them to potentially minimize the guarantee or collateral necessary.” See page 5, Office Action mailed 11/22/05. The Office Action has failed to provide a proper statement of motivation for combining these two disparate references and has improperly ignored claim limitations. Further, the alleged statement of motivation is based on improper hindsight. More specifically, the Office Action has failed to identify where in Emery such a teaching for decreasing the risk of investments is provided and how that this alleged teaching would even apply in Field’s management system that generates accounting detail.

The Office Action has failed to set forth a *prima facie* case of obviousness for the independent claims. Specifically, when a primary reference is missing elements, the law of obviousness requires that the Office set forth some motivation why one of ordinary skill in the

art would have been motivated to modify the primary reference in the exact manner proposed. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000). In other words, there must be some recognition that the primary reference has a problem and that the proposed modification will solve that exact problem. All of this motivation must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention.

In the present case, the Office Action's justification for combining Field and Emery has absolutely nothing to do with the deficiencies of Field. As admitted by the Office Action, Field fails to show at least calculating liquidity and further "calculating a liquidity requirement .. that is *less than* the full liquidity requirement for the commitments." To properly modify Field to correct for these major deficiencies, the Office Action has the burden to show some motivation why providing those elements would have overcome some perceived problem with Field, which is directed to invoice record management. Any such motivation is completely lacking. Even if the combination of Field and Emery could be modified as suggested by the Office Action, the resulting combination would nevertheless fail to show each and every limitation claimed by Applicants.

The mere fact that Field and Emery can be somehow combined and modified does not render the resultant modification obvious unless there is a suggestion or motivation found somewhere in the prior art regarding the desirability of the combination or modification. *See* M.P.E.P § 2143.01; *see also In re Mills*, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990); *In re Fritz*, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). In addition, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

As the remaining dependent claims encompass the limitations of independent claims, these claims should be allowed for at least the reasons stated above.

CONCLUSION


In view of the foregoing amendments and arguments, it is respectfully submitted that this application is now in condition for allowance. If the Examiner believes that prosecution and allowance of the application will be expedited through an interview, whether personal or telephonic, the Examiner is invited to telephone the undersigned with any suggestions leading to the favorable disposition of the application.

It is believed that no fees are due for filing this Response. However, the Director is hereby authorized to treat any current or future reply, requiring a petition for an extension of time for its timely submission as incorporating a petition for extension of time for the appropriate length of time. Applicants also authorize the Director to charge all required fees, fees under 37 C.F.R. §1.17, or all required extension of time fees, to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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Dated: February 15, 2006

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